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2014 JUN 20 A 10:14  
RICHARD W. WIEKING  
CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

7 **UNITED STATES DISTRICT COURT**  
8 **NORTHERN DISTRICT OF CALIFORNIA**

8 F. Anthony Edwards and  
9 Sharon de Edwards,

Case No.:

**C14- 2852**

10 Plaintiffs,

**COMPLAINT  
CIVIL RIGHTS ACTION  
(42 U.S.C § 1983) DECLARATORY  
JUDGMENT,  
INJUNCTIVE RELIEF AND EQUITABLE  
ESTOPPEL**

11 vs.

12 Internal Revenue Services and Adam M.  
13 Nolan, Revenue Agent of the IRS,  
14 Defendant

15 **GENERAL ALLEGATIONS**

16  
17 1. This case challenges the constitutionality of Defendant(s) action depriving  
18 Plaintiffs of their constitutional right to have a hearing before being deprived of their  
19 property and livelihood by closure of their Medical Office, to be justly compensated for  
20 their property if it is taken, and the right of Plaintiff, Sharon de Edwards to engage in her  
21 trade and to earn a living in an occupation of her choice. These rights are guaranteed by  
22 the Due Process clause of the Fifth and Fourteenth Amendment of the U.S. Constitution,  
23 inclusive of the Bill of Rights.  
24

25  
26 2. Plaintiffs are husband and wife, owning and managing a Medical Office,  
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1 with the wife being the physician, providing obstetrics and gynecological care to an  
2 underserved community.

3  
4 3. Plaintiffs refinanced their home to use their equity to pay their taxes.  
5 Unfortunately, the Escrow Company and Title Company ("Perpetrators") doing the  
6 refinance perpetrated a scam to obtain Plaintiffs home with as little money as possible  
7 while leaving the tax liens unpaid.  
8

9 4. Defendant(s) then sued Plaintiffs to reduce their tax liens to judgment, with  
10 the parties entering into a stipulated judgment requiring payment of \$9,000.00 per month,  
11 and signing a short term agreement suspending all levies while Plaintiffs pursued their  
12 claim against the perpetrators.  
13

14 5. In pursuing their claim against the Perpetrators, Plaintiffs incurred  
15 significant legal expenses and costs, which caused them to make monthly payments  
16 averaging \$5,000.00 per month instead of the \$9,000.00, per month required by the  
17 judgment, and to fall behind in paying some of their current tax liabilities.  
18

19 6. Defendant(s) now seek to close Plaintiffs Medical Practice for allegedly  
20 defaulting on the judgment by accelerating the total amount of the judgment and "force"  
21 Plaintiffs into seeking employment with others. Plaintiffs seek to protect their Due  
22 Process property rights, protect their livelihood and vindicate their right to practice their  
23 trade and earn a living without being subjected to the unconstitutionally arbitrary,  
24 capricious and unreasonable action of Defendant(s), by this Court's ruling that  
25  
26

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1 Defendant(s) announced action is unconstitutional, invalid, and unenforceable, that  
 2 Defendant(s) are estopped from implemented their announced action, and by this Court  
 3 issuing temporary restraint and permanent injunction against the action announced by  
 4 Defendant(s).  
 5

### 6 JURISDICTION AND VENUE

7  
 8 7. Plaintiffs allege deprivation of rights secured by the Due Process Clause of  
 9 the Fifth and Fourteenth Amendments of the U.S. Constitution as protected by 42 U.S.C.  
 10 § 1983, and the Bill of Rights. Jurisdiction over their claims is vested in this Court by 28  
 11 U.S.C. §§ 1331, and by this Court reserving jurisdiction on the judgment, with concurrent  
 12 pendant jurisdiction on the State claim.  
 13

14 8. Venue is proper in this District under 28 U.S.C. § 1391(b) on grounds that  
 15 some or all of the events at issue took place in this District while Plaintiffs resided here.  
 16

### 17 DECLARATORY RELIEF ALLEGATIONS

18 9. Plaintiffs incorporate and reallege each and every allegation contained in  
 19 the preceding paragraphs of this Complaint.  
 20

21 10. An actual and substantial controversy exist between Plaintiffs  
 22 And Defendant(s) as to their respective rights and duties. Plaintiffs contend that both and  
 23 its face and as applied to Plaintiffs, the announced enforcement action violate the Due  
 24 Process Clause of the Fifth and Fourteenth Amendments of the U.S. Constitution and 42  
 25

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1 U.S.C. § 1983, inclusive of the Bill of Rights. On all counts, Defendant(s) contend  
2 otherwise.

3  
4 11. Further, if Defendant(s) are allowed to close Plaintiffs' Medical Office,  
5 Depriving Plaintiffs of their livelihood, Plaintiffs should be justly compensated in the  
6 amount of \$3,250,000.00, the value of the Medical Office.

7  
8 12. Accordingly, declaratory relief pursuant to 28 U.S.C. § 2201 is appropriate.

9 **TEMPORARY RESTRAINT AND INJUNCTIVE RELIEF ALLEGATIONS**

10 13. Plaintiffs incorporate and reallege each and every allegation contained in  
11 the preceding paragraphs of this Complaint.

12  
13 14. On February 27, 2014, Defendant(s) sent a letter to Plaintiffs, demanding  
14 payments of \$573,781.49, by June 29, 2014, or they will institute enforcement action  
15 against Plaintiffs and their business by closing the Medical Office.

16  
17 15. On June 2, 2014, Plaintiffs sent their letter to Defendant(s) offering to  
18 pay the remainder of their current taxes and to have the tax levies remain in place as is,  
19 until the litigation resolves, at which time the balance of the judgment would be paid in  
20 full.

21  
22 16. Defendant(s) rejected Plaintiffs offer, advising that they will institute  
23 Enforcement action against Plaintiffs by closing their Medical Office on June 29, 2014.

24  
25 17. Defendant(s) announced enforcement action against Plaintiffs is in violation

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of the Fifth and Fourteenth Amendments of the U.S. Constitution, inclusive the Bill of Rights and is an unjust taking without compensation, in that it deprives Plaintiffs of their property, their livelihood, their right to engage in trade and their right to earn a living in the occupation of their choice, without a hearing, in addition to being arbitrary, capricious, and unreasonable.

18. If not restrained by this Court, Plaintiffs will be deprived of their livelihood, will lose their Medical Office that took years to build and nurture with a going-concern value of \$3,250,000.00, without a hearing and without just compensation. This announced enforcement action will cause Plaintiffs to suffer irreparable injury, including but not limited to, loss of business and deprivation of livelihood. Plaintiffs have no plain, speedy, and adequate remedy at law for such an injury.

19. Accordingly, temporary restraint and injunctive relief pursuant to the Fifth and Fourteenth Amendments to the U.S. Constitution, to 42 U.S.C. § 1983 and other authority is appropriate.

**CLAIM FOR CONSTITUTIONALLY PROTECTED RELIEF  
(DUE PROCESS OF LAW;  
U.S. CONST. AMEND. V AND XIV & U.S.C. § 1983)**

20. Plaintiffs incorporate and reallege each and every allegation contained in the preceding paragraphs of this Complaint.

21. Defendant(s) enforcement action will cause irreparable harm to Plaintiffs in

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1 that it will close Plaintiffs' Medical Office, depriving them of their constitutionally  
2 protected rights to their property and livelihood, without just compensation and without a  
3 hearing, in an arbitrary, capricious and unreasonable manner.  
4

5 22. The deprivation of constitutional rights has been found to constitute  
6 irreparable harm sufficient to require immediate relief.  
7

8 23. An actual controversy exist between the parties, and Plaintiffs will suffer  
9 irreparable harm unless Defendant(s) enforcement action is declared unlawful and  
10 enjoined by this Court.  
11

### 12 CLAIM FOR EQUITABLE ESTOPPEL RELIEF

13 24. Plaintiffs incorporate and reallege each and every allegation contained in  
14 the preceding paragraphs of this Complaint.  
15

16 25. Defendant(s) and Plaintiffs entered into an agreement to release all levies,  
17 so that Plaintiffs could pursue and litigate their claim against the Perpetrators.  
18

19 26. The agreement called for Plaintiffs to make payments of \$9,000.00 per  
20 month and Plaintiffs initially complied with its terms, while litigating their claims.  
21

22 27. Litigation of Plaintiffs claims became extended and Plaintiffs began paying  
23 and has continued to pay \$5,000.00, per month instead of \$9,000.00, because of the  
24 increased costs and expenses of litigating the claims.  
25

26 28. Plaintiffs reasonably believed that Defendant(s) would wait until the  
27

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conclusion of the litigation of their claims against the Perpetrators who committed fraud by not submitting request for payoff demands for tax liens of record to the IRS during refinancing, leaving due and delinquent taxes unpaid. The parties did not anticipate that litigation against the Perpetrators would go on for four years or longer.

29. Accordingly, equitable estoppel of Defendant(s) announced enforcement action is appropriate.

WHEREFORE, Plaintiffs respectfully request relief as follows:

(1) To enter a declaratory judgment that Defendant(s) enforcement action violates the Due Process Clause of the Fifth and Fourteenth Amendments to the U.S. Constitution and 42 U.S.C. § 1983, and the Bill of Rights;

(2) To enter a declaratory judgment that Defendant(s) are equitably estopped from instituting enforcement action against Plaintiffs;

(3) To permanently enjoin Defendant(s) and their agents, representative and employees from instituting any enforcement action against Plaintiffs, and to implement the following:

- a. Plaintiffs are to pay \$100,000.00, per year in twelve monthly installments on the judgment until fully paid with all legal interest thereon.
- b. Defendant(s) are to immediately release all levies so that Plaintiffs can make the required monthly installments, with the installment payments commencing within thirty days of the release of all levies.

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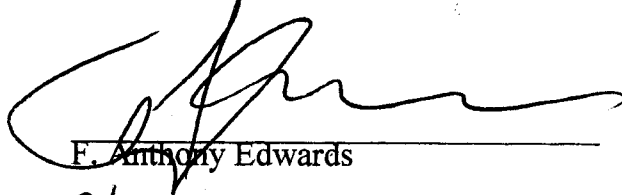
1 c. Defendant(s) shall release and recall all recorded tax liens as they are  
2 paid by Plaintiffs.  
3

4 **VERIFICATION**


5 We, Fernando Anthony Edwards and Sharon de Edwards are the Plaintiffs in the  
6 above cause of action. We have read the Complaint and are familiar with the facts stated  
7 therein. Based on our knowledge, we certify that the factual allegations in the Complaint  
8 are true.

9 We declare under penalty of perjury under the laws of the State of California that  
10 the foregoing is true and correct.

11 Dated: 6/19/14

  
F. Anthony Edwards

12 Dated: 6/19/14

  
Sharon de Edwards

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